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Possession*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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Chapter 11

In re:

**26 BOWERY LLC and  
2 BOWERY HOLDING LLC,**

Case No.: 22-10412 (MG) and  
22-10413 (MG)  
(Jointly Administered)

Debtors.

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**DEBTORS' RESPONSE TO MOTION FOR AN ORDER  
TO CONVERT THESE CASES TO ONES UNDER CHAPTER 7  
OF THE BANKRUPTCY CODE OR DISMISS THESE CHAPTER 11 CASES**

26 Bowery LLC ("26 Bowery") and 2 Bowery Holding LLC ("2 Bowery," and together with 26 Bowery, "Debtors"), by their attorneys, Leech Tishman Robinson Brog, PLLC, files this response to the Motion for an Order to Convert These Cases to Ones Under Chapter 7 of the Bankruptcy Code or Dismiss These Chapter 11 Cases (the "Motion to Convert") filed by the United States Trustee (the "U.S. Trustee"). In support of its response, the Debtors respectfully states as follows:

The U.S. Trustee has filed its Motion to Convert on the basis that the Debtors have not filed quarterly disbursement reports since November 2024 and have not paid corresponding quarterly fees ("Trustee Fees"). The Debtors have since corrected this oversight, first by filing the missing November 2024 operating report

(ECF 532) for 2 Bowery and then by filing Post-Confirmation Reports on behalf of the Debtors for the quarter ending 12/31/2024 (ECF 533, 534) and the quarter ending 3/31/2025 (ECF 535, 536). However, the Debtors have since been informed that Post-Confirmation Reports are only to be used in cases where a plan of reorganization has gone effective.<sup>1</sup> The Debtors' plan has not gone "effective" and accordingly, the Debtors have since filed all outstanding operating reports through April 2025 (ECF 537 -546).

Counsel to the Debtors have sent the U.S. Trustee copies of the outstanding operating reports and have requested an updated account reconciliation with respect to all outstanding Trustee Fees. The Debtors are currently holding sufficient funds to pay outstanding Trustee Fees and once the Debtors have been provided an updated account statement all outstanding Trustee Fees will be paid.

Accordingly, since the Debtors have cured the deficiencies cited in the Motion to Convert by filing all periodic reports and being prepared to pay outstanding Trustee Fees, the Debtors respectfully request state that the Motion to Convert is Moot and should be denied and that there is no longer any need to hold a hearing on the Motion to Convert. The Debtors have also requested that the U.S. Trustee withdraw the Motion to Convert.

**WHEREFORE**, the Debtors respectfully request that the Motion to Convert be denied, or in the alternative, held in abeyance pending withdrawal by the U.S.

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<sup>1</sup> In order for the Debtors' plan to go "effective" both sales of the Debtors' real property must have occurred. Currently, only the sale of the real property owned by 2 Bowery has closed. The sale of the real property owned by 26 Bowery remains pending. The Post-Confirmation Reports have since been removed from the docket.

Trustee.

**DATED:** New York, New York  
May 20, 2025

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By: /s/ Clement Yee  
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